JANUARY 03, 2007
VOL. 10 NO. 01

USDA

INTERNATIONAL EGG AND POULTRY REVIEW

ISSN 1522-5100

U. S. Department of Agriculture   Agricultural Marketing Service   Poultry Programs   Market News and Analysis Branch

Panama

The United States (US) and Panama announced on Tuesday, December 19, 2006 the completion of negotiations on a free trade agreement. Even though agriculture was the last item on the agenda of negotiations for a free trade agreement (FTA), it was left open for further discussions on labor. In the past Panama declined to join the Central American Common Market, and instead relied upon the canal and the US as its main economic anchors. Panama is also a beneficiary of US unilateral trade preferences defined in the Caribbean Basin Initiative.

If agreements with Columbia, Peru and Panama are ratified in 2007, the US will have FTAs with more than half of Latin America. Meanwhile, Ecuador has indicated an interest to negotiate a long term extension of trade preferences with the United States. In addition, Bolivia has lobbied Congress to extend trade preferences and expressed interest in considering a free trade agreement with the United States. With a new Democratic majority, leaders are demanding that agreements with Columbia and Peru be renegotiated to include stricter labor rights.

Panama approached the US for a stand-alone FTA in order to avoid a direct link to the CAFTA-DR. On November 16, 2003 President George W. Bush formally notified Congress of his intent to negotiate a bilateral FTA with Panama. Since then negotiations have occurred sporadically due mainly to agriculture issues and Panama's concern over losing control of a major expansion of the Panama Canal. Approval of the agricultural portion of the agreement was so controversial in Panama that an Agriculture Minister resigned in protest over it.

The agreement would give Panama's sugar farmer's greater access to US markets. More than half of all current US exports to Panama would be duty-free including high quality beef, turkey, mechanically deboned chicken, pet food and many processed foods. Some poultry items would be made immediately duty free while others, such as chicken leg quarters due to their sensitivity to Panama negotiators, would require an 18 year phase out period for tariffs and a gradual increase in the quotas.

Also Included in the treaty is the revision of Panama's sanitary and phytosanitary regulations recognizing the equivalence of the US food safety inspection system for meat, poultry and processed food items. Panama will also provide market access for all US beef, poultry and related products consistent with international standards. Included in the treaty was a clause that allows discretional decisions to allow or reject imports that put human health at risk. The agreement also streamlines import documentation for US processed foods and creates a dispute settlement mechanism.

The agreement also guarantees Panama's construction firms 10% of the contracts to expand the canal. The $5.25 billion expansion of the canal was approved by voters in October, 2006 and construction should begin in 2008 and finish in 2014. The project would double the canal's capacity and allow usage by larger ships, resulting in increased revenue to the government.

Source: various news sources

U.S. Poultry Exports to Panama
January-October Comparisons
(Thousand Metric Tons)

Commodity	2002	2003	Year 2004	2005	2006
Whole Chickens					
Fresh/Chilled	26.2	4.3	0.0	2.3	5.7
Frozen	0.0	7.1	25.4	0.0	14.3
Fowl Cuts					
Fresh/Chilled	51.9	0.7	42.6	0.0	8.6
Frozen	62.2	169.4	122.7	218.8	336.5
Whole Turkeys					
Fresh/Chilled	0.0	6.9	0.0	0.0	172.7
Frozen	274.9	247.2	418.8	241.8	554.0
Turkey Cuts					
Fresh	188.8	721.9	277.3	93.8	75.4
Frozen	1,157.8	917.7	1,252.7	1,900.3	3,835.9

Source: USDA/FAS

Japan Imports: Frozen Broilers (in MT)

	U.S.	China	Brazil	Thailand	Total
2005					
January	1,942	28	31,201	0	33,171
February	2,311	96	22,481	0	24,888
March	2,159	100	29,750	11	32,020
April	2,398	147	30,250	11	32,806
May	3,457	212	29,522	2	33,193
June	3,265	88	36,120	2	39,475
Total	**15,532**	**671**	**179,324**	**26**	**195,553**
2006					
January	2,517	7	40,253	0	42,777
February	1,564	8	32,203	2	33,777
March	1,777	12	26,836	1	28,626
April	2,437	63	26,737	6	29,243
May	2,745	77	36,249	1	39,072
June	3,460	52	35,184	1	38,697
Total	**14,500**	**219**	**197,462**	**11**	**212,192**

Source: ALIC

210 WALNUT STREET, ROOM 951, DES MOINES, IOWA, 50309   515/284-4471   FAX 515/284-4468
Visit us on the World Wide Web at http://www.ams.usda.gov/marketnews.htm   GM

INSPECTED EGG PRODUCTS- U.S. & CANADA IMPORT/EXPORT TRADE &

U.S./CANADIAN LIVE POULTRY SLAUGHTERED UNDER INSPECTION

For Week Ending December 23, 2006

Data Unavailable Due to Canadian Holidays

CENTRAL REGION MECHANICALLY SEPARATED CHICKEN

F.O.B. SHIPPER DOCK OR EQUIVALENT, PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN THE CENTRAL REGION IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND, DELIVERY WITHIN TWO WEEKS.

December 29, 2006

CHICKEN WITH SKIN ADDED

	---- PRICES ----		----- VOLUME -----	
FAT CONTENT	**FROZEN**	**FRESH**	**TOTAL**	**EXPORT**
15% OR LESS				
RANGE	-	13.00-17.00	163,200	-
WTD AVERAGE		15.00		
15-20%				
RANGE	17.50-19.50	12.00-16.00	1,116,400	325,200
WTD AVERAGE	18.43	13.06		
20% OR MORE				
RANGE	-	14.50	204,000	-
WTD AVERAGE		14.50		

* INCLUDES THE STATES of AL, AR, IA, IL, IN, KS, KY, LA, MI, MN, MO, MS, ND, NE, OK, OH, SD, TN, TX, WI

EASTERN REGION MECHANICALLY SEPARATED CHICKEN

F.O.B. SHIPPER DOCK OR EQUIVALENT, PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN THE EASTERN REGION IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND, DELIVERY WITHIN TWO WEEKS.

December 29, 2006

CHICKEN WITH SKIN ADDED

	---- PRICES ----		----- VOLUME -----	
FAT CONTENT	**FROZEN**	**FRESH**	**TOTAL**	**EXPORT**
15% OR LESS				
RANGE	-	16.50-17.50	200,000	-
WTD AVERAGE		16.90		
15-20%				
RANGE	16.00-21.00	12.00-16.00	1,412,000	692,000
WTD AVERAGE	17.82	13.98		
20% OR MORE				
RANGE	-	14.00	120,000	-
WTD AVERAGE		14.00		

* INCLUDES THE STATES of CT, DE, FL, GA, MA, MD, ME, NC, NH, NJ, NY, PA, RI, SC, VA, VT, WV

NATIONAL YOUNG TURKEY PARTS INCLUDING BULK MEAT and FROZEN (UNLESS SPECIFIED), CENTS PER LB., DELIVERED FIRST RECEIVERS, PART AND FULL TRUCKLOTS AS OF 29 DECEMBER 2006.

The market tone on parts and meats steady to fully steady. Demand improved from earlier in the week and was light to moderate. The increased interest centered on fresh and frozen tom drums, mostly fresh for domestic and export shipments. Offerings mixed due to the short holiday work schedules, mostly adequate. Trading was slow to moderate. For domestic: Hearts 21-25 cents, 20-24 lb. plant grade breast 175 cents, breeder destrapped tenders 169 cents and breeder drums 37 cents delivered.

EXPORT TRADING FRIDAY, DECEMBER 29, 2006	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)	WEEKLY WTD AVG PRICE	WEEKLY VOLUME (000)
DRUMSTICKS, TOMS	44.00		44.00	458	43.60	498
WINGS FULL-CUT - TOMS	33.00-34.00		33.50	80	33.50	80
WINGS, V-TYPE, TOM		R	50.00	520	50.00	520
TAILS	29.00		29.00	20	27.67	60
MECHANICALLY SEPARATED 2/	17.00		17.00	108	17.00	108
THIGH MEAT - FROZEN		R	93.00	120	93.00	120

EXPORT TRADING THURSDAY, DECEMBER 28, 2006	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	39.00		39.00	40
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM	50.00		50.00	520
TAILS	27.00		27.00	40
MECHANICALLY SEPARATED 2/		R	17.00	40
THIGH MEAT - FROZEN	93.00		93.00	120

EXPORT TRADING WEDNESDAY, DECEMBER 27, 2006	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS		W	40.00	40
WINGS FULL-CUT - TOMS		W	32.00	40
WINGS, V-TYPE, TOM				
TAILS				
MECHANICALLY SEPARATED 2/		R	17.00	40
THIGH MEAT - FROZEN		F	94.00	80

EXPORT TRADING TUESDAY, DECEMBER 26, 2006	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS		W	40.00	40
WINGS FULL-CUT - TOMS		W	32.00	40
WINGS, V-TYPE, TOM				
TAILS				
MECHANICALLY SEPARATED 2/		R	17.00	40
THIGH MEAT - FROZEN		F	94.00	80

NO EXPORT TRADING REPORTED ON MONDAY, DECEMBER 25, 2006.

~ DUE TO CHRISTMAS DAY HOLIDAY ~

1/ CODES FOR LAST SIGNIFICANT TRADE (L.S.T.): M=MONDAY T=TUESDAY W=WEDNESDAY R=THURSDAY F=FRIDAY
2/ Product contains 15-20% fat with skin added.